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SUMMARY

Agenda Item : H

France

FRENCH PLANNING : PRESENT SITUATION AND FUTURE OUTLOOK

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Commissioner-General
for the Equipment and Productivity Plan

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FRENCH PLANNING :

PRESENT SITUATION AND FUTURE OUTLOOK

by Pierre Massé,
Commissioner-General for the Plan.

Part I : The present situation in French planning.

A. The role of the Plan in French economy

Whereas during the first years of its implementation the Plan was intended to give priority to certain economic objectives, it now aims at facilitating the solution of two problems inherent in every economy: forecasting and final aims.

B. Methods of drawing up the French Plan

Whether seeking to define general objectives or elaborating the Plan in detail, the essential characteristics of French methods are a resort to medium or long-term forecasts at stable prices, drawn up according to the "discretionary" process of successive approximations (to facilitate government decisions on important aspects of economic policy) and consultations with employers and trade unions through Modernisation Commissions, the Economic and Social council and the Higher Planning Council, followed by a parliamentary vote.

C. Methods of implementation

The Plan does not lay down rigid and detailed objectives for each undertaking, but constitutes a guiding scheme for government action (close co-ordination between the budget and the Plan, and between the Commissariat-General of the Plan and the various economic and financial departments) and action relating to undertakings (administrative control and financial incentives) and to individuals (incomes policy).

Part II : Development possibilities

A. Elaboration of the Plan

Strengthening of the role of parliament, attempt at formalised programming, stronger industrial representation in Modernisation Commissions. More detailed planning does not seem desirable.

B. Implementation methods

Although, in cases of insufficient effort by private initiative in a particular branch of activity, the 4th Plan does not exclude a more active policy by the government, it is inadvisable to adopt a too dirigiste policy, which would hardly be compatible with the pursuit of an economic optimum. Finally, the opening of the frontiers causes great uncertainty regarding the objectives laid down in the Plan, and it is therefore hoped that a common policy may be established in the branches of industry where competition does not ensure a rational international division of work.

Conclusions : Lessons suggested by French experience.

1. Method of elaboration

Concerted preparation of a Plan makes it more easily understood and facilitates its success, but the government should see that preferences of one sector or region are not allowed to endanger the balance of the Plan as a whole.

2. Objectives

In 1947 the Monnet Plan gave priority in France to the basic sectors. A fortiori, efforts in the developing countries should be concentrated in the driving sectors.

3. Problems of Implementation

The methods designed to implement the Plan must be adapted to the nature of the economic problems arising in the various spheres of economic activity. In this connection the Plan can serve as a useful basis of discussion between the national authorities and the large firms, in order to determine the mutual obligations which will ensure the achievement of the objectives.

Being on a national level, the Plan is in some respects too narrow a framework whenever, in the uncommitted world, the exploitation of resources depends on the establishment of industrial installations beyond the financial capacity of each individual country. In order to be effective, national planning must therefore be progressively incorporated into a multi-national planning system based on large regional economies.

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